

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
COUNTY TREASURER  
BROWN COUNTY, INDIANA  
January 1, 2005 to December 31, 2005



**FILED**  
03/16/2007



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#### COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Joe Wray	01-01-05 to 12-31-08
President of the County Council	David Critser	01-01-05 to 12-31-07
President of the Board of County Commissioners	Stephanie R. Yager	01-01-05 to 12-31-07



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF BROWN COUNTY

We have examined the records of the County Treasurer for the period from January 1, 2005 to December 31, 2005, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Brown County for the year 2005.

STATE BOARD OF ACCOUNTS

January 18, 2007

COUNTY TREASURER  
BROWN COUNTY  
EXAMINATION RESULTS AND COMMENTS

COLLECTIONS AND SETTLEMENT OF TAXES NOT TIMELY

Because of delays in completing the 2002 reassessment; a provisional property tax billing for 2002 pay 2003 was sent out with a final billing in May 2005 and the settlement of taxes with local units of government was made in August 2005. A final billing for 2003 taxes payable in 2004 was mailed in December 2005 with settlement made in April 2006. A final billing of taxes due for 2004 payable in 2005 was mailed in 2006 with settlement made in 2006. As of December 31, 2006, no tax rates had been approved for 2005 pay 2006 property taxes.

During this same period of time the County did not distribute property replacement credit and homestead credit or county adjusted gross income tax to other governmental units.

Taxes collected by the County were kept in an interest bearing bank account with all interest received retained by the County. Interest was not paid to other governmental units at the time of distribution.

Indiana Code 6-1.1-27-1 requires the County to pay interest on any collection of property taxes invested in an interest bearing account and not distributed timely to the governmental units.

SURPLUS TAX FUND

The County was holding \$31,485.48 in the Surplus Tax Fund at December 31, 2005, which was held for more than three years. The Surplus Tax Record has not been reconciled to the Surplus Tax Fund for 2004 or 2005. A material balance remains in the fund that is not being identified to tax duplicates.

Indiana Code 6-1.1-26-6(c) states: "An amount deposited in the surplus fund shall be transferred by the county auditor to the county general fund and may not be disbursed under subsection (b) if it is not claimed within the three (3) year period after the date of its receipt."

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balance were presented for examination but were incorrect. The reconciliation for the Treasurer's main account was short \$125,073 as of December 31, 2005. The Treasurer is reconciling to a computer balance instead of the cash book balance.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

COLLECTION OF AMOUNTS DUE

We noted that the Treasurer had not certified any delinquent personal property taxes to the Clerk of the Circuit Court since 2002.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 10)

COUNTY TREASURER  
BROWN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 5, 2007, with Mari H. Miller, Auditor; Joe Wray, Treasurer, David Critser, President of County Council; and Stephanie R. Yager, President of the Board of County Commissioners. The officials concurred with our findings.